

SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

	Note	Current Quarter Ended 31.12.2011 RM'000	Corresponding Quarter Ended 31.12.2010 RM'000	Current Year To Date 31.12.2011 RM'000	Corresponding Year To Date 31.12.2010 RM'000
Operating revenue		304,187	N/A	1,352,618	N/A
Transfer from Statement of Comprehensive Income					
- Family takaful		33,100	N/A	97,818	N/A
- General takaful		27,323	N/A	85,547	N/A
Wakalah fee income		39,796	N/A	144,432	N/A
Investment income	24	4,062	N/A	15,088	N/A
Other operating income	25	4,101	N/A	20,434	N/A
Management expenses		(47,932)	N/A	(186,536)	N/A
Other operating expenses	26	(19,056)	N/A	(75,365)	N/A
Profit before zakat and taxation		41,394	N/A	101,418	N/A
Zakat		(210)	N/A	(733)	N/A
Taxation	18	(6,229)	N/A	(22,176)	N/A
Profit for the period		34,955	N/A	78,509	N/A
Attributable to:					
Owners of the Company		34,695	N/A	78,915	N/A
Non-controlling interests		260	N/A	(406)	N/A
Net profit for the period		34,955	N/A	78,509	N/A
Earnings per share (sen)					
- Basic	22	21.31	N/A	48.47	N/A

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.

Note:

There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter/year following the change in the financial year end to 31 December which was announced to Bursa Malaysia Securities Berhad on 29 October 2009. The financial disclosures made herewith are in accordance with FRS 134 on Interim Financial Reporting.

SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

	Current Quarter Ended 31.12.2011 RM'000	Corresponding Quarter Ended 31.12.2010 RM'000	Current Year To Date 31.12.2011 RM'000	Corresponding Year To Date 31.12.2010 RM'000
Profit for the period	34,955	N/A	78,509	N/A
Other comprehensive income/(loss)				
Fair value change of available-for-sale financial assets, net of tax	4,725	N/A	(2,653)	N/A
Foreign currency translation differences	(2,841)	N/A	961	N/A
Total other comprehensive income for the period	1,884	N/A	(1,692)	N/A
Total comprehensive income for the period	36,840	N/A	76,817	N/A
Total comprehensive income/(loss) attributable to:				
Owners of the Company	37,953	N/A	76,688	N/A
Non-controlling interest	(1,113)	N/A	129	N/A
Total comprehensive income for the period	36,840	N/A	76,817	N/A

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There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter/year following the change in the financial year end to 31 December which was announced to Bursa Malaysia Securities Berhad on 29 October 2009. The financial disclosures made herewith are in accordance with FRS 134 on Interim Financial Reporting.

SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	As at End of Current Quarter 31.12.2011 Unaudited RM'000	As at Preceding Financial Year Ended 31.12.2010 Audited RM'000 Restated
ASSETS		
Property and equipment	27,741	29,897
Investment properties	18,758	11,958
Loans and receivables	144,742	14,438
Investments	0	362,084
Securities - Available-for-sale	264,294	-
Securities - Held-to-maturity	4,152	-
Other receivables	39,612	51,655
Deferred tax asset	20,287	13,238
Cash and cash equivalent	61,202	2,691
Total Shareholders' assets	580,788	485,961
Total Family takaful assets	4,195,655	3,788,613
Total General takaful assets	1,137,192	1,043,849
Less Interfund balances	(32,926)	(45,446)
TOTAL ASSETS	5,880,709	5,272,977
EQUITY AND LIABILITIES		
Share Capital	162,817	162,817
Reserves	289,339	222,975
Total equity attributable to owners of the Company	452,156	385,792
Non-controlling interest	27,469	27,252
TOTAL EQUITY	479,625	413,044
LIABILITIES		
Other payables	88,011	47,811
Provision for taxation	10,807	24,847
Deferred tax liabilities	2,345	259
Total Shareholders' liabilities	101,163	72,917
Total Family takaful liabilities	241,560	228,311
Total General takaful liabilities	972,225	886,454
Less Interfund balances	(32,926)	(45,446)
TOTAL LIABILITIES	1,282,022	1,142,236
Family takaful fund	3,954,095	3,560,302
General takaful fund	164,967	157,395
TOTAL EQUITY AND LIABILITIES	5,880,709	5,272,977
Net assets per share (RM)	2.78	2.37



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

	←----- Non – distributable -----→			Distributable		Non Controlling Interest RM '000	Total Equity RM '000
	Share Capital	Share Premium	Translation Reserves	Fair Value Reserves	Retained Profits		
	RM '000	RM '000	RM '000	RM '000	RM '000		
AS AT 1 JULY 2009	162,817	4,098	(3,642)	-	186,221	27,951	377,445
Foreign currency translation differences for foreign operations	-	-	(2,647)	-	-	(2,102)	(4,749)
Total other comprehensive income	-	-	(2,647)	-	-	(2,102)	(4,749)
Profit for the year	-	-	-	-	56,346	1,403	57,749
Total comprehensive income for the period	-	-	(2,647)	-	56,346	(699)	53,000
Dividends to owners of the Company	-	-	-	-	(17,401)	-	(17,401)
AS AT 31 DECEMBER 2010	162,817	4,098	(6,289)	-	225,166	27,252	413,044
AS AT 1 JANUARY 2011 -as previously stated	162,817	4,098	(6,289)	-	225,166	27,252	413,044
Effect of adopting FRS 139	-	-	-	7,584	-	87	7,671
AS AT 1 JANUARY 2011 -as restated	162,817	4,098	(6,289)	7,584	225,166	27,339	420,715
Foreign currency translation differences for foreign operations	-	-	395	-	-	566	961
Fair value of available-for-sale financial assets	-	-	-	(2,620)	-	(30)	(2,650)
Total other comprehensive income	-	-	395	(2,620)	-	536	(1,689)
Profit for the year	-	-	-	-	78,915	(406)	78,509
Total comprehensive income for the period	-	-	395	(2,620)	78,915	130	76,820
Dividends to owners of the Company	-	-	-	-	(17,910)	-	(17,910)
AS AT 31 DECEMBER 2011	162,817	4,098	(5,894)	4,964	286,171	27,469	479,625

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED
FAMILY TAKAFUL STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

Note	Current Quarter Ended 31.12.2011 RM'000	Corresponding Quarter Ended 31.12.2010 RM'000	Current Year To Date 31.12.2011 RM'000	Corresponding Year To Date 31.12.2010 RM'000
Gross earned contributions	194,218	N/A	683,345	N/A
Contributions ceded to retakaful	(9,723)	N/A	(28,671)	N/A
Net earned contribution	184,495	N/A	654,674	N/A
Gross benefit and claims paid	(116,016)	N/A	(432,863)	N/A
Claims ceded to retakaful	15,350	N/A	20,766	N/A
Gross change to contract liabilities	(20,784)	N/A	(22,126)	N/A
Wakalah fee	(33,965)	N/A	(121,096)	N/A
Commission	(910)	N/A	(6,383)	N/A
	28,170	N/A	92,972	N/A
Transfer of operating surplus to Participants fund	26,246	N/A	63,568	N/A
Underwriting profit - Group family	1,924	N/A	29,404	N/A
	28,170	N/A	92,972	N/A
Underwriting profit - Group family	1,924	N/A	29,404	N/A
Investment income	44,322	N/A	168,248	N/A
Allowance for impaired debts	1,136	N/A	3,223	N/A
Other operating income	54,322	N/A	114,774	N/A
Other operating expenses	(2,710)	N/A	(9,264)	N/A
Total profit for the period	98,994	N/A	306,385	N/A
Transfer to Special reserve on Annuity surplus	(1,190)	N/A	(4,542)	N/A
Profit attributable to the Company and participants' for the period	97,804	N/A	301,843	N/A
Profit attributable to the Company transferred to income statement	(33,100)	N/A	(97,818)	N/A
Profit payable to participants	64,704	N/A	204,025	N/A
Profit attributable to participants' for the period	(1,039)	N/A	(2,420)	N/A
	63,666	N/A	201,604	N/A
Family takaful Fund at beginning of the period - as previously stated	3,840,030	N/A	3,523,947	N/A
Effect of adopting FRS 139 and FRS 4	4,380	N/A	109,085	N/A
Family takaful fund at beginning of the period - as restated	3,844,410	N/A	3,633,032	N/A
Underwriting profit - Individual Family	26,246	N/A	63,568	N/A
Profit attributable to participants' for the period	64,704	N/A	204,025	N/A
Movement for the quarter:				
- Profit payable to participants	(1,039)	N/A	(2,420)	N/A
- Reclass to retakaful assets	33,003	N/A	74,838	N/A
- Reclass to takaful contract liabilities	(69)	N/A	(69)	N/A
- Fair value reserves	26,837	N/A	7,036	N/A
- Reclassification of Qardh	18	N/A	(3,107)	N/A
- Unearned contribution reserve	1,555	N/A	1,555	N/A
- Special reserve	(29,483)	N/A	(26,131)	N/A
- Translation Reserve	(12,088)	N/A	1,768	N/A
Family Fund at end of the period	3,954,095	N/A	3,954,095	N/A

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**SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED
FAMILY TAKAFUL STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	As at End of Current Quarter 31.12.2011 Unaudited RM'000	As at Preceding Financial Year Ended 31.12.2010 Audited RM'000 Restated
ASSETS			
Investment properties		210,619	206,980
Loans and receivables		532,232	72,376
Investments		-	3,164,455
Securities - Available-for-sale		2,554,428	-
Securities - Held-to-maturity		270,932	-
Retakaful assets		78,366	43,991
Takaful receivables		53,092	41,732
Other receivables		35,235	48,724
Cash and cash equivalent		265,820	9,304
Investment-linked takaful assets		194,931	201,051
TOTAL ASSETS		4,195,655	3,788,613
LIABILITIES			
Takaful contract liabilities	23	79,344	53,156
Takaful payables		27,119	17,436
Other payables		128,515	153,945
Investment-linked takaful liabilities		6,582	3,774
Total family takaful liabilities		241,560	228,311
Participants' fund			
Family takaful fund	23	3,954,095	3,560,302
TOTAL FAMILY TAKAFUL LIABILITIES AND PARTICIPANTS' FUNDS		4,195,655	3,788,613

SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED
GENERAL TAKAFUL STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

	Current Quarter Ended 31.12.2011 RM'000	Corresponding Quarter Ended 31.12.2010 RM'000	Current Year To Date 31.12.2011 RM'000	Corresponding Year To Date 31.12.2010 RM'000
Note				
Gross earned contributions	105,775	N/A	401,747	N/A
Contribution ceded to retakaful	(18,721)	N/A	(154,671)	N/A
Unearned contribution reserves	(16,737)	N/A	40,470	N/A
Net earned contribution	70,317	N/A	287,546	N/A
Gross benefit and claims paid	(54,820)	N/A	(190,110)	N/A
Claims ceded to retakaful	16,334	N/A	38,903	N/A
Gross change to contract liabilities	13,157	N/A	(43,110)	N/A
Change in contract liabilities ceded to retakaful	(34,549)	N/A	(6,859)	N/A
Wakalah fee	(5,831)	N/A	(23,336)	N/A
Commission income	3,413	N/A	24,797	N/A
Commission expense	(6,013)	N/A	(32,808)	N/A
Underwriting profit	2,008	N/A	54,733	N/A
Investment Income	7,515	N/A	23,531	N/A
Bad Debt	0,215	N/A	19,674	N/A
Other operating income	27,430	N/A	42,136	N/A
Other operating expenses	(1,809)	N/A	(4,523)	N/A
Total profit for the period	43,559	N/A	140,551	N/A
Transfer to income statement	(27,323)	N/A	(85,547)	N/A
Participants' share of profit	16,236	N/A	55,004	N/A
Profit payable to participants	(3,400)	N/A	(23,173)	N/A
Profit attributable to participants for the period	7,836	N/A	31,831	N/A
General takaful fund at beginning of the period - as previously stated	551,595	N/A	430,612	N/A
Effect of adopting FRS 139 and FRS 4	(376,126)	N/A	(264,238)	N/A
General takaful fund at beginning of the period - as restated	175,469	N/A	166,374	N/A
Profit attributable to participants' for the period	16,236	N/A	55,004	N/A
Movement for the period:				
- Profit payable to participants	(8,400)	N/A	(23,173)	N/A
- Fair value reserves	5,180	N/A	(9,285)	N/A
- Translation reserve	(457)	N/A	(892)	N/A
- Special reserve	(23,061)	N/A	(23,061)	N/A
General takaful fund at end of the period	164,967	N/A	164,967	N/A

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**SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED
GENERAL TAKAFUL STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	As at End of Current Quarter 31.12.2011 Unaudited RM'000	As at Preceding Financial Year Ended 31.12.2010 Audited RM'000 Restated
ASSETS			
Investment properties		26,620	29,234
Loans and receivables		162,148	6,320
Investments		-	630,589
Securities - Available-for-sale		473,624	-
Securities - Held-to-maturity		34,496	-
Retakaful assets		331,724	291,639
Takaful receivables		39,465	57,047
Other receivables		21,284	17,179
Cash and cash equivalent		47,831	11,841
TOTAL ASSETS		1,137,192	1,043,849
LIABILITIES			
Takaful contract liabilities	23	872,765	765,909
Takaful payables		27,028	34,998
Other payables		72,432	85,547
Total General takaful liabilities		972,225	886,454
Participants' fund			
General takaful fund	23	164,967	157,395
TOTAL GENERAL TAKAFUL LIABILITIES AND PARTICIPANTS' FUND		1,137,192	1,043,849

SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Current Year Ended 31.12.2011 Unaudited RM'000	Corresponding Period Ended 31.12.2010 Audited RM'000
Cash flows from operating activities		
Profit before zakat and taxation	101,418	97,886
Adjustments for :		
Depreciation	10,718	13,707
Fair value change of investment properties	(5,031)	(1,870)
Income from financing receivables	(844)	(2,994)
Gain on disposal of of quoted shares and unit trusts	(70,416)	(82,908)
Gain on disposal of property and equipment and investment property	(493)	(100)
Gain on foreign exchange	(6,807)	(932)
Accretion on investments	(3,437)	(7,863)
Reversal of allowance for diminution in value of investments	-	(51,597)
Profit from Malaysian Government Investment Certificates	-	(38,285)
Property and equipment (transfer)/written off	2,557	27
Increase in General takaful, Family takaful and Investment linked funds	532,254	502,218
Increase / (decrease) in investments	165,408	(806,513)
Increase in payable (including claim admitted but not paid)	5,794	3,822
(Increase) / decrease in other receivables	(71,088)	10,764
	660,032	(364,638)
Zakat paid	(1,639)	(2,775)
Income taxes paid	(43,367)	(16,952)
Net cash generated from/(used in) operating activities	615,026	(384,365)
Cash flows from Investing activities		
Purchase of investments	(1,815,259)	(1,685,473)
Proceeds from sale of investments	1,582,022	2,043,274
Purchase of property and equipment	(7,813)	(7,948)
Proceeds from sale of investment properties	-	1,006
Proceeds from sale of property and equipment	829	156
Net cash used in investing activities	(240,221)	351,015
Cash flows from financing activities		
Dividend paid to shareholders of the Company	(17,910)	(17,401)
Net cash used in financing activities	(17,910)	(17,401)
Net decrease in cash and cash equivalents	356,895	(50,751)
Cash and cash equivalents at the beginning of period	26,307	77,058
Cash and cash equivalents at the end of period	383,202	26,307
Cash and cash equivalent		
- Shareholders' fund	61,202	2,691
- Family Takaful fund	265,820	9,304
- Investment Link Takaful fund	8,349	2,471
- General Takaful fund	47,831	11,841
	383,202	26,307

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 December 2011

1 Basis of Preparation

The interim financial statements of the Group have been prepared in accordance with:

- a) The requirements of Financial Reporting Standard ("FRS") 134: Interim Financial Reporting
- b) Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities");
- c) Guidelines/circular issued by Bank Negara Malaysia ("BNM"); and
- d) Financial Reporting Standards as modified by BNM ("Modified FRSs")

The interim financial statements have been prepared using consistent accounting policies with the audited financial statements for the financial period ended 31 December 2010 and should be read in conjunction with the aforementioned audited financial statements.

The accounting policies adopted by the Group and the Company for the quarterly financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial period ended 31 December 2010, except for the adoption of following:

FRSs / Interpretations	Effective date
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127, <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
Amendments to FRS 2, <i>Share-based Payment: Vesting Conditions and Cancellations</i>	1 January 2010
Amendments to FRS 132, <i>Financial Instruments: Presentation- Separation of Compound Instruments</i> and FRS 101, <i>Presentation of Financial Statements- Puttable Financial Instruments and Obligations Arising on Liquidation</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i> and IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
Amendments to FRS 139, <i>Financial Instruments: Recognition and Measurement</i> - <i>Reclassification of Financial Assets</i> - <i>Collective Assessment of Impairment for Banking Institutions</i>	1 January 2010
Improvements to FRSs (2009)	1 January 2010
FRS 4, <i>Insurance Contracts</i>	1 January 2010
Amendments to FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 101, <i>Presentation of Financial Statements (revised)</i>	1 January 2010
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010
IC Interpretation 11, <i>FRS 2 - Group and Treasury Share Transactions</i>	1 January 2010
SOP i-1: <i>Financial Reporting from an Islamic Perspective</i>	1 January 2010
Amendments to FRS 132, <i>Financial Instruments: Presentation- Classification of Rights Issues</i>	1 March 2010

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 December 2011

FRSs / Interpretations	Effective date
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards (revised)</i>	1 July 2010
FRS 3, <i>Business Combinations (revised)</i>	1 July 2010
FRS 127, <i>Consolidated and Separate Financial Statements (revised)</i>	1 July 2010
Amendments to FRS 2, <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
FRS 127, <i>Consolidation and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly controlled Entity or Associate (revised)</i>	1 July 2010
Amendments to FRS 138, <i>Intangible Assets</i>	1 July 2010
IC Interpretation 16, <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17, <i>Distribution of Non-cash Assets to Owners</i>	1 July 2010
Amendments to IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 July 2010
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards- Limited Exemptions from comparative FRS 7, Disclosures for First-time Adopters</i>	1 January 2011
Amendments to FRS 1, <i>Additional Exemptions for First-time Adopters</i>	1 January 2011
Amendments to FRS 2, <i>Group Cash-settled Share-based Payment Transactions</i>	1 January 2011
Amendments to FRS 7, <i>Financial Instruments: Disclosures- Improving Disclosures about Financial Instruments</i>	1 January 2011
IC Interpretation 4, <i>Determining Whether an Arrangement contains a Lease</i>	1 January 2011
Improvements to FRSs (2010)	1 January 2011

Save for the implications discussed below, the initial adoption of the above FRSs, Amendment to FRSs and Interpretations do not have any material impact on the financial statements of the Group.

a) FRS 4, Insurance Contracts

The adoption of FRS 4 does not have any significant impact on the financial statements of the group other than expanded disclosure requirements. Certain comparative information has been restated to comply with FRS 4.

b) FRS 8, Operating Segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its internal management reports. The basis of measurement of segment results, segment assets and liabilities are the same as basis of measurement for external reporting.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 December 2011

c) FRS 101, Presentation of Financial Statement

Prior to the adoption of the revised FRS101, the component of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, revenue accounts and balance sheets of family takaful and general takaful funds, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS101, the components of the interim financial statements presented consist of a statement of financial position, an income statement displaying components of profit or loss, a statement of comprehensive income, a statement of changes in equity, statements of comprehensive income and statements of financial position of family takaful and general takaful funds, a statement of cash flows and notes to the financial statements. All non-owner changes in equity that were presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity.

d) FRS 139, Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments. The accounting policies relating to these financial instruments change from 1 January 2011 shall be disclosed in the Group's annual financial statements.

FRS 139 is applied prospectively and its effect to the fair value reserves and retained earnings of the group and non company owner as at 1 January 2011 is as follows:

Condensed consolidated statement of changes in equity

	Retained Profits RM'000	Fair value Reserves RM'000	Non Company Owner RM'000
As at 1 January 2011 - as previously stated	225,166	-	27,252
Adjustments arising from adoption of FRS 139:-			
Fair value of equity securities classified as available-for-sale	-	6,986	87
Re-measurement of debt securities	-	598	-
Total effects of adopting FRS139	-	7,584	87
As at 1 January 2011 - as restated	225,166	7,584	27,339

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS **QUARTER ENDED 31 December 2011**

The Group and the Company have not applied the following accounting standards, amendments, and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement* #

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investment in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine* #

Not applicable to the Group and the company.

The Group's and the Company's next set of financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) issued by the MASB that will also comply with International Financial Reporting Standards ("IFRS"). As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments that are effective for annual periods beginning on or after 1 January 2012

2 Auditors' Report

The auditors' report on the audited financial statements of the preceding period ended 31 December 2010 did not contain any qualification.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 December 2011

3 Seasonality of operations

The Group's operations are not materially affected by seasonal or cyclical factors.

4 Unusual Items

Save as disclosed in notes 14 and 15, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial quarter ended 31 December 2011.

5 Estimates

There were no changes in the basis used for accounting estimates for the current quarter under review.

6 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial quarter under review.

7 Dividends

The shareholders at the Annual General Meeting held on 5 May 2011 approved a final dividend of 7% less 25% income tax in respect of the financial period ended 31 December 2010 as proposed by the Directors. The final dividend was paid on 27 May 2011.

The Directors declared an interim dividend of 7% comprising 5% less 25% income tax and 2% single tier in respect of the financial year ended 31 December 2011 which was paid on 2 December 2011.

8 Segmental Reporting.

Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
12 months ended 31.12.2011			
Revenue from external participants	<u>1,150,601</u>	<u>202,017</u>	<u>1,352,618</u>
Profit before zakat and tax	<u>98,542</u>	<u>2,876</u>	<u>101,418</u>
As at 31.12.2011			
Segments assets by location of assets	<u>5,532,742</u>	<u>347,967</u>	<u>5,880,709</u>

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS **QUARTER ENDED 31 December 2011**

9 Investment Properties

A valuation has been carried out on all investment properties during the current financial quarter under review and the carrying values of the investment properties reflect the new valuation.

10 Material Events Subsequent to the End of the Period

There is no material event subsequent to the end of the period under review that has not been reported in the interim financial statements for the current financial quarter.

11 Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statement as at and for the period ended 31 December 2010.

12 Changes in Composition of the Company/Group

There is no change in the composition of the Group for the current financial quarter under review.

13 Contingent Liabilities

There were no contingent liabilities as at the date of this report.

14 Review of Performance

For the 4th quarter ended 31 December 2011, the Group generated Operating Revenue of RM304.2 million comprises RM248.3 million in gross contributions and RM55.9 million in investment income. During the financial year ended 31 December 2011, the Group recorded Operating Revenue of RM1,352.6 million comprises RM1,140.8 million in gross contribution and RM211.8 million in investment income. The gross contribution was mainly attributable to Family Takaful group business and General Takaful motor and fire class of business.

The surplus transfer from Family and General takaful funds revenue account in the quarter under review and the financial year ended 31 December 2011, mainly contributed by underwriting results, release of contingent special reserves, and realized gains on disposal of investments.

The group profit before zakat and taxation in the quarter under review and the financial year ended 31 December 2011, mainly contributed by the surplus from Family and General takaful funds and wakalah fee income.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 31 December 2011

15 Material Changes in the Quarterly Results Compared to the Results of the Preceding Financial Quarter

For the quarter under review, the profit before zakat and taxation registered RM 41.4 million which was higher than the preceding quarter of RM 10.1 million by RM31.3 million. The increase was attributable to higher wakalah fee income and surplus transfers from Family and General takaful funds, mainly from Shareholders funds' share of the release of contingent special reserves from the Family and General takaful funds of RM24.6 million.

16 Current Year Prospects

The Group and the Company are expected to further increase their market share in the takaful industry by introducing new products, growth in the agency workforce for selling retail Family products and to have strategic tie-ups with Islamic Banks to market Bancatakaful products.

17 Variance of actual profit from profit forecast or profit guarantee

The Group did not issue any profit forecast nor profit guarantee during the financial year under review.

18 Taxation

The effective rate of taxation is lower than the statutory tax rate for the quarter and financial year to date mainly due to non taxable income in accordance with the Income Tax Act 1967.

	3 months ended 31.12.2011 RM'000	Cumulative 12 months ended 31.12.2011 RM'000
Current tax:-		
- Current financial year	4,089	24,434
Under provision in prior years	4,288	4,288
	<u>8,377</u>	<u>28,722</u>
Deferred tax expense:-		
- Current financial year	(2,148)	(6,546)
	<u>6,229</u>	<u>22,176</u>

19 Status of Corporate Proposal

There has been no new corporate proposal since the date of the last quarterly report.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 December 2011

20 Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 31 December 2011.

21 Material Litigation

There was no material litigation pending as at the date of this announcement.

22 Earnings per Share

Basic earnings per share ("Basic EPS")

Basic EPS of the Group is calculated by dividing the net profit attributable to ordinary shareholders for the period by the weighted average number of ordinary shares in issue during the period.

		3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011
Owners of the Company	(RM'000)	<u>34,695</u>	<u>78,915</u>
Weighted average number of ordinary shares in issue	('000)	<u>162,817</u>	<u>162,817</u>
Basic earnings per share	(sen)	<u>21.31</u>	<u>48.47</u>

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 December 2011

23 TAKAFUL CONTRACT LIABILITIES AND PARTICIPANTS' FUND

The takaful contract liabilities and participants' fund consist of the following:

	Family Takaful		General Takaful	
	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<u>Takaful contract liabilities</u>				
IBNR	47,172	27,541	142,497	107,271
Actuarial liabilities	-	-	352,154	302,354
Provision for outstanding claims	32,172	25,615	378,114	356,284
	79,344	53,156	872,765	765,909
<u>Participants' fund</u>				
Actuarial liabilities	3,209,296	2,965,734	-	-
Unallocated surplus	420,796	346,213	155,587	134,334
Fair value reserves	110,710	-	9,380	-
Special reserves	24,947	51,077	-	23,061
Net asset value attributable to unitholders	188,346	197,278	-	-
	3,954,095	3,560,302	164,967	157,395

24 INVESTMENT INCOME

The investment income consists of the following:

	Shareholders' Fund		Family Takaful		General Takaful	
	3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011	3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011	3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011
Rental Income	150	815	2,993	10,067	355	1,144
Dividend from Investment	751	2,963	4,167	17,690	962	3,406
Accretion/ (Amortisation)	(91)	(332)	687	3,437	(335)	(483)
Profit from Investment	3,382	12,074	37,092	139,341	6,660	24,925
Investment expenses	(130)	(432)	(617)	(2,287)	(127)	(461)
Total investment income	4,062	15,088	44,322	168,248	7,515	28,531

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 December 2011

25 OTHER OPERATING INCOME

The other operating income consists of the following:

	Shareholders' Fund		Family Takaful		General Takaful	
	3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011	3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011	3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011
Realised gains	1,305	9,234	15,282	74,035	2,291	16,389
Fair value gains	-	1,460	6,774	7,001	644	644
Service charge and management fee	602	7,495	-	-	-	-
Gain on foreign exchange	8	11	-	22	-	-
Writeback of allowance for impaired debts	396	396	-	-	-	-
Writeback of allowance for impaired financing	780	813	1,434	2,042	1,434	2,042
Other income	1,010	1,025	159	1,001	-	-
Release of special reserves	-	-	30,673	30,673	23,061	23,061
Total other operating income	4,101	20,434	54,322	114,774	27,430	42,136

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 December 2011

26 OTHER OPERATING EXPENSES

The other operating expenses consist of the following:

	Shareholders' Fund		Family Takaful		General Takaful	
	3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011	3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011	3 months ended 31.12.2011	Cumulative 12 months ended 31.12.2011
Depreciation	(2,907)	(10,600)	-	-	-	-
Fair value losses	(144)	-	-	-	-	-
Impairment losses	-	(1,418)	-	(4,419)	-	(2,285)
Loss from foreign exchange	-	-	(27)	-	(190)	(213)
Good written off	(11)	(1,144)	-	-	-	-
Equipment and other assets written off	(36)	(36)	-	-	-	-
Commission Agency related expenses	(15,447)	(61,636)	-	-	-	-
	(235)	(235)	-	-	-	-
Other expenses	(276)	(296)	(2,683)	(4,845)	(1,419)	(2,025)
Total other operating expenses	(19,056)	(75,365)	(2,710)	(9,264)	(1,609)	(4,523)

27 Disclosures of interest expense, provision for and write off of inventories, gain or loss on derivatives and exceptional items are not applicable to the Group and the company.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 31 December 2011

28 SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company as at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements, are as follows:

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Group:		
-Realised	259,552	205,370
-Unrealised	(677)	(2,164)
	<hr/>	<hr/>
Total share of retained profits of associates:	258,875	203,206
-Realised	-	-
-Unrealised	-	-
	<hr/>	<hr/>
	258,875	203,206
Add: Consolidation adjustments	29,313	21,960
	<hr/>	<hr/>
Total retained profits as per statement of financial position	288,188	225,166

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

By Order of the Board

MOHAMAD ASRI BIN HAJI YUSOFF

Company Secretary (MIA 14171)

Kuala Lumpur, 22 February 2012